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U.S BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

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## ATTORNEYS FOR DEBTOR AND DEBTOR-IN-POSSESSION

The following constitutes the  
Order of the Court. Signed \_\_\_\_\_

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HON. ARTHUR S. WEISSBRODT  
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re:	)	Case No. 01-55137-wsj
	)	
SILICON VALLEY TELECOM	)	CHAPTER 11
EXCHANGE, LLC,	)	
	)	
	)	
Debtor.	)	

Debtor.

## ORDER CONFIRMING JOINT PLAN OF REORGANIZATION

The THIRD AMENDED JOINT PLAN OF REORGANIZATION under Chapter 11 of the Bankruptcy Code filed by DEBTOR, Rubio & Associates, Inc. (“Rubio & Associates”) and Silicon Valley Telecom & Internet Exchange, LLC (“SVTIX” and, collectively, “Plan Proponents”) on February 27, 2003, together with an amendment thereto filed on July 27, 2005, having been transmitted to creditors and equity security holders; the confirmation of said plan having come on for final hearing on August 24, 2007, before the Honorable Arthur S. Weissbrodt, U. S. Bankruptcy Judge, with such appearances as noted in the record; and the Court having considered the Plan, and it being determined after said hearing that:

1. The Plan has been accepted in writing by creditors and equity holders whose acceptance is required by law; and

## ORDER CONFIRMING JOINT PLAN OF REORGANIZATION

1           2.       The provisions of Chapter 11 of the Code have been complied with and that the Plan  
2 has been proposed in good faith and not by any means forbidden by law; and

3           3.       Each holder of a claim or interest will receive or retain under the Plan property of a  
4 value, as of the Effective Date of the Plan, that is not less than the amount that such holder would  
5 receive or retain if Debtor was liquidated under Chapter 7 of the Code on such date; and

6           4.       All payments made or promised by Plan Proponents under the Plan or for services or  
7 for costs and expenses in, or in connection with, the Plan and incident to the case, have been  
8 fully disclosed to the Court and are reasonable or, if to be fixed after confirmation of the Plan,  
9 will be subject to the approval of the Court; and

10          5.       Confirmation of the Plan is not likely to be followed by the liquidation or need for  
11 further financial reorganization, of Debtor or any successor to Debtor under the Plan; and

12          6.       The Plan does not discriminate unfairly, and is fair and equitable, with respect to  
13 each class of claimants or interests that is impaired under, and has not accepted, the Plan.

14          7.       Compensation to Insiders: Fred Rubio is the sole member and managing  
15 member of SVTX; Fred and Karen Rubio are members of SVTIX and Fred Rubio is the  
16 managing member; and Fred Rubio is the sole shareholder, officer and director of Rubio and  
17 Associates. Fred Rubio will continue to be employed to manage SVTX, SVTIX, and Rubio &  
18 Associates. Fred Rubio's compensation for such service for managing SVTX, SVTIX, and  
19 Rubio & Associates shall be \$10,000 per month, increasing by three percent (3%) each year until  
20 all Class 3-related claims have been paid in full. As additional compensation, health insurance  
21 shall be provided for all members of Fred Rubio's immediate family. Karen Rubio will be  
22 employed to provide book keeping and billing services for SVTX and SVTIX. Her  
23 compensation shall be \$5,000 per month, increasing by three percent (3%) each year until all  
24 Class 3-related claims have been paid in full. The annual increases to compensation shall  
25 commence on September 1, 2008.

26          8.       Interest: The Plan provides that creditors will receive simple interest at the Federal  
27 judgment interest rate which is based on the weekly average of 1-year constant maturity Treasury  
28 yield. The rate of interest is determined at the time of plan confirmation based on the weekly

1 average of 1-year constant maturity Treasury yield for the week ending prior to court confirmation  
2 of the Plan. The weekly average of 1-year constant maturity Treasury yield for the week ending  
3 prior to the court confirmation of the Plan was: 4.44%.

4 9. The effective date of the Plan shall be September 4, 2007.

5 IT IS HEREBY ORDERED that Plan Proponents' THIRD AMENDED PLAN OF  
6 REORGANIZATION [Docket No. 342], together with its AMENDMENT [Docket No. 1008], is  
7 confirmed.

8 IT IS FURTHER ORDERED that Debtor shall file post-confirmation reports with the  
9 Court in such format as may be acceptable to the Court and shall continue to pay quarterly U. S.  
10 Trustee fees until entry of a Final Decree.

11  
12 \* \* \* END OF ORDER \* \* \*

13  
14 APPROVED AS TO FORM AND CONTENT:

15 **UNITED STATES TRUSTEE**

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18 Nanette Dumas, Esq.  
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